

SUMTER COUNTY BOARD OF COMMISSIONERS
EXECUTIVE SUMMARY

SUBJECT: Short Term Disability (STD) and Long Term Disability (LTD) Insurance

REQUESTED ACTION: Approval of Sun Life for STD and LTD Insurance

☐ Work Session (Report Only)

DATE OF MEETING: 9/8/09

☒ Regular Meeting

☐ Special Meeting

CONTRACT: ☐ N/A

Vendor/Entity: Sun Life

Effective Date: 10/1/09

Termination Date: 9/30/09

Managing Division / Dept:

Support Services/Risk Management

BUDGET IMPACT: \$225,454

☒ Annual

FUNDING SOURCE: Health Fund

☐ Capital

EXPENDITURE ACCOUNT: 501-595-591-4541 & 501-595-591-4537

☐ N/A

HISTORY/FACTS/ISSUES:

Sumter County is presently self insured for Short Term Disability (STD) and has an Administrative Services Only (ASO) Agreement with Florida Combined Life (FCL) with a budget of \$17,564 for ASO fees and \$85,680 for claims. Claims for STD have been higher than anticipated over the past several months and are expected to cap at approximately \$145,000 by the end of the fiscal year. Total ASO fees and claims are projected to be approximately \$162,564 this fiscal year. We are fully insured for Long Term Disability (LTD) with Sun Life and have a budget of \$157,080 for premiums.

Brown & Brown solicited proposals for STD (self insured and fully insured) and LTD (fully insured only) from Sun Life and Florida Combined Life.

In consideration of current claim activity and in comparing the cost of continuing to pay ASO fees and self insure STD versus being fully insured, the County would save approximately \$70,000 by being fully insured with Sun Life instead of remaining self insured. The proposals for STD (fully insured) from both carriers are \$92,506 for Sun Life and \$120,671.28 for FCL.

The proposals for LTD (fully insured) from both carriers are less than our current contract for LTD. Sun Life's proposal for our LTD is \$132,948 and FCL's proposal is \$129,264.25 (if also selected for STD).

The total cost for both fully insured plans from Sun Life is \$225,454 and \$250,295.53 from FCL. Staff recommends fully insured plans from Sun Life for both STD and LTD.
